

**JPRS 84228**

**30 August 1983**

# **USSR Report**

**INTERNATIONAL ECONOMIC RELATIONS**

**No. 60**



**FOREIGN BROADCAST INFORMATION SERVICE**

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30 August 1983

# USSR REPORT INTERNATIONAL ECONOMIC RELATIONS

No. 60

## CONTENTS

### USSR WORLD TRADE

Foreign Trade Official Reviews 1982 Results (FOREIGN TRADE, No 7, Jul 83).....	1
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### USSR-CEMA TRADE

CEMA Standing Commission on Foreign Trade (FOREIGN TRADE, No 7, Jul 83).....	8
Results Reviewed, by Vasili Balybin Communique Issued	
Structural Shifts in National Economic Complexes of CEMA Member-States (Stefan Sharenkov, Boris Medvedev; EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV, No 3, Mar 83).....	13
Efficiency of International Economic Organizations (Vladimir Vorotnikov; EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV, No 5, May 83).....	19
Trade Documents With GDR, Hungary, Mongolia, Vietnam Signed (FOREIGN TRADE, No 4, Apr 83).....	25
Protocol Signed With Cuba (FOREIGN TRADE, No 5, May 83).....	28
Protocol Signed With Bulgaria (FOREIGN TRADE, No 5, May 83).....	29
Protocol Signed With Romania (FOREIGN TRADE, No 5, May 83).....	30

## USSR-EAST EUROPE BILATERAL TRADE

Poznan Fair Reflects Polish Recovery (A. Khomutov; EKONOMICHESKAYA GAZETA, No 29, Jul 83).....	31
---	----

## TRADE WITH LDC'S

USSR-Kampuchean Trade and Economic Cooperation (Pyotr Sergeyev; FOREIGN TRADE, No 5, May 83).....	33
Soviet-Ecuadorian Trade and Economic Matters (Izabella Kuznetsova; FOREIGN TRADE, No 5, May 83).....	35
Soviet-Ethiopian Cooperation Protocol Signed (EKONOMICHESKAYA GAZETA, No 30, Jul 83).....	38
Soviet-Iranian Cooperation in Energy Viewed (Moscow Radio, Moscow in Persian to Iran, 8 Jun 83).....	39
Briefs	
USSR-Afghanistan Trade	40
USSR-Laos Trade	40
USSR-PDRY Trade Protocol	40
USSR-Indian Trade	41

## GENERAL

PRC's Foreign Trade Analyzed (S. Smirnov; EKONOMICHESKAYA GAZETA, No 31, Jul 83).....	42
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## USSR WORLD TRADE

### FOREIGN TRADE OFFICIAL REVIEWS 1982 RESULTS

Moscow FOREIGN TRADE in English No 7, Jul 83 pp 35-37

[Text] On May 17 this year A. N. Manzhulo, deputy foreign trade minister of the USSR, addressed a meeting of foreign trade representatives, commercial counsellors and representatives of foreign firms accredited in the USSR. The meeting was held at the International Trade Centre in Moscow. Those present were acquainted with some of the results of Soviet foreign trade and its prospects. Below we publish the slightly abridged speech of A. N. Manzhulo.

In the 1976-1980 plan period the USSR's external economic ties were quite dynamic and made good progress. A confident start has also been registered in the current five-year-plan period. In 1982 our foreign trade was more than 25 per cent up on the 1980 figure. In 1982 trade amounted to 119,600 million rubles, of which exports made up 63,200 million rubles and imports—56,400 million rubles. What is more, although in the recent period there is a depressed world market for many goods, fuel and raw materials in particular, our foreign trade has been on the upgrade as seen by its growing physical volume.

For the current five-year period Soviet foreign trade has the important tasks of realizing our economic development plans and satisfying the growing requirements of the Soviet people. These tasks are being fulfilled successfully.

In 1982 the Soviet Union traded with 143 countries. With 116 of them our commercial and economic relations were regulated by intergovernmental agreements on trade, economic and industrial cooperation.

In the first quarter of 1983 Soviet foreign trade rose 11 per cent: exports increased 13 per cent and imports 9 per cent.

Our trade with *the socialist countries* is particularly brisk. In 1982 it rose 12.1 per cent to 65,000 million rubles, while the share of these countries in the USSR's total foreign trade increased from 52.8 per cent in 1981 to 54.3 per cent in 1982. In the first quarter of this year it showed a 15 per cent increase.

Our trade with the CMEA members in 1982 increased 12.5 per cent to 58,700 million rubles—their share in Soviet foreign trade as a whole came up to nearly 50 per cent.

In our relations with the CMEA countries the main attention is centred on the implementation of a whole complex of integration measures and the concentration of efforts in important sectors needing development such as the, energy-, material-, and labour-saving technologies, and automation and mechanization facilities for production processes using the latest advances made in science.

The Soviet Union is constantly and extensively helping the socialist countries to improve and strengthen their energy balances by bringing new reliable energy sources into play.

At the November 1982 CC CPSU Plenary meeting Yu.V. Andropov, General Secretary of the CPSU Central Committee, pointed out that "our Party's primary concern will continue to be the strengthening of the socialist community".

Increasingly stable become our trade and economic relations with *the developing countries* in Asia, Africa and Latin America.

Our trade volume with them in 1982 amounted to 16,900 million rubles. In the first quarter of 1983 our trade with these countries shot up nearly 17 per cent.

At present we are trading with 101 developing countries, 79 of them on the basis of treaties and agreements.

We give much attention to our economic and technical cooperation with the developing countries and help these build industrial enterprises and other projects. Last year iron and steel plants, power stations and other projects were under construction and/or being expanded in these countries with the assistance of Soviet organizations. For instance, the last of the 14 power units was put into service at the Argentine-Uruguayan Salto Grande hydroelectric power station.

In Argentina the USSR assisted in completing the assembly of the Costanera thermal power plant and in building the Bahia Blanca thermal power station.

In recent years *India* has become our major trading partner among the developing countries. The Soviet Union, in turn, is India's biggest trading partner. The prospects and principal trends of our trade with that country are outlined in the Long-term Programme of Economic, Trade, Scientific and Technical Cooperation. During the visit of Prime Minister Indira Gandhi to the USSR last September, both countries confirmed their desire to increase the volume of their mutual trade in the current five-year-plan period 1.5-2-fold and maintain its high growth rates in the period up to 1990.

Substantial progress in 1982 was achieved in our trade with several other developing states, especially Ethiopia, Libya, Jordan, Iraq, Malaysia.

Trade and economic cooperation between the USSR and *the industrial capitalist countries* in 1982 met a complicated trading policy situation, attributable to a certain deterioration of the international political climate. But even in these conditions our state, firmly following Lenin's policy of peaceful coexistence, kept steering a course towards the establishment of stable economic ties with those Western countries interested in doing so. As Yu.V. Andropov pointed out at the November 1982 CC CPSU Plenary Meeting, differences in social systems should not obstruct our frank and honest cooperation with all countries which are willing to reciprocate, and are in no way an obstacle when there is good will on both sides. This position is understood in many Western countries' official business circles.

Mutual interest in cooperation has made it possible to continue the commercial ties between the USSR and most Western countries that have been established over the past 15 years. In 1982 our trade with the industrial capitalist countries rose 6.7 per cent compared with 1981 and amounted to 37,700 million rubles. Our mutual trade continues to grow in the current year as well.

We note with satisfaction the successful development of our economic ties with *the West European countries*. Last year they accounted for some 80 per cent of our trade with the industrial capitalist world. During the first three months of 1983 our trade



turnover with this group of countries increased 8.5 per cent. The expansion of our contacts with the West European countries in the early 1980s was due to the solid foundation of intergovernmental agreements on economic, industrial, scientific and technical cooperation, which the USSR signed with nearly all of them. Long-term programmes of trade, economic, industrial, scientific and technical cooperation following these agreements have been worked out with most Western countries.

Intergovernmental joint commissions, which play an important part in implementing the long-term programmes, are greatly contributing to such new forms of economic ties as the construction of long-term projects on compensation terms, cooperation-related agreements and trade in licences. They are having a positive effect on the overall accomplishment of bilateral economic ties.

Mutually advantageous trade and economic ties with the Western countries are an important part of the entire complex of our external business relations as they allow the advantages of the international division of labour to be mutually and beneficially shared.

This, perhaps, is seen most vividly in our trade with the FRG, Finland, Italy and France. With these and some other Western countries, along with the successful execution of previously signed contracts and agreements, efforts were made to find new ways of cooperation, talks were conducted and new big contracts signed, including a set of agreements on Soviet shipments of additional quantities of natural gas to several West European countries and on purchases by the USSR of equipment and materials for the construction of the gas pipeline.

The FRG is our major trade partner from among the Western countries. In 1982 our trade with that country totalled 6,600 million rubles, a more than 10 per cent rise over the year. The West German government with Chancellor Helmut Kohl at the head has repeatedly declared that it is willing to continue its policy of cooperation with the socialist countries and expand economic ties with them. We hope that this stand will be confirmed specifically. We are prepared for such cooperation.



Quite stable is the development of *Soviet-Finnish* economic ties as they are influenced by the favourable atmosphere of mutual confidence between the two countries. In 1982 trade between the USSR and Finland was worth 5,200 million rubles. Along with our growing traditional trade with Finland, the two countries for many years now have been successfully cooperating in building industrial enterprises. The first stage of the Kostomuksha mining and ore dressing complex (Karelian ASSR), now under construction with the participation of Finnish firms, was commissioned in 1982.

Our business cooperation with *France* progresses. Intergovernmental agreements are being fulfilled, trade between the two countries is maintained on a high level, although in 1982 it slightly declined. Recently new big contracts and agreements with French firms have been signed, and their fulfilment may help expand and deepen Soviet-French trade and economic contacts.

Unfortunately it has to be said that recent diplomatic actions taken by the French side have retarded the development of bilateral relations and adversely affected the climate of confidence and cooperation created by the past joint efforts of the two countries. The USSR's fair and candid assessment of these actions was given by Yu.V. Andropov in an interview granted to the magazine *Der Spiegel*.

Trade between the USSR and *Italy* is growing rapidly; in 1982 Italy moved to third place in trade between the USSR and the Western countries, and our trade with that country topped the 4,000 million rubles' mark. We hope that Italy will continue steering this course towards diversified mutually advantageous trade and economic cooperation with us.

Last year our trade and economic relations with *the USA* were experiencing great difficulty. These relations are now stagnant, and through no fault of ours. Although our trade with that country somewhat increased last year, amounting to 2,200 million rubles, the quantitative aspect of the matter, however, should not mislead anybody. The atmosphere of confidence in Soviet-American trade has been seriously impaired by the discriminatory actions of the two latest US administrations. A recent example of them was the imposition of an embargo on the export to the USSR of equipment for the oil and gas industry. It is noteworthy that these measures were condemned by representatives of the American business world, which had sustained

great losses, and the USA's West European allies who refused to obey the American *diktat*. As for Soviet foreign trade and economic organizations they have taken and will continue to take timely measures to protect their interests.

That does not mean to say they have "black-listed" all American firms or that they do not want to trade with the USA. We have respect for and appreciate the efforts of those American companies which, despite all difficulties, are striving to normalize trade with the Soviet Union. The continuing and even growing interest of business America in trade with us was demonstrated by the successful session of the US-USSR Trade and Economic Council held in Moscow in November 1982 after a four-year interval, which about 500 prominent representatives of both countries' business circles attended.

As always we favour trade and economic cooperation with the USA, a cooperation based on equality, mutual advantage, with full observance of treaty obligations, non-use of discrimination and the tie-in of mutual trade questions with irrelevant matters.

Our previously lively trade with Great Britain and Japan has slackened somewhat as a result of these countries following in the wake of the American policy of sanctions. However, in recent months, we have noticed these countries growing tendency to apply a more constructive approach to trade and economic ties with the USSR, evidence of this is given by the recent visits to our country of large groups of businessmen from Great Britain and Japan.

Appraising the prospects of our cooperation with the West we view it objectively as a process for deepening the international division of labour and accelerating scientific and technological progress which in its turn increases mutual interest in economic cooperation between countries with differing social and economic systems.

We have an equally serious approach as regards cooperation with the leading large and "smaller" countries, large companies and medium and small firms. We have always advocated equality in international economic relations and oppose discrimination in any form.

In conclusion I would like to thank those present for the attention they have given me and express the hope that our meeting today, along with our other channels of communication will help you all to understand our foreign economic policy better and will help our common cause—the broadening and deepening of international economic cooperation, rapprochement and mutual understanding between nations in the interest of world peace.

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CSO: 1812/234

## USSR-CMEA TRADE

### CMEA STANDING COMMISSION ON FOREIGN TRADE

#### Results Reviewed

Moscow FOREIGN TRADE in English No 7, Jul 83 pp 2-3

[Article by Vasili Balybin, executive secretary of the Soviet Part of the CMEA Standing Commission on Foreign Trade]

[Text]

The CMEA countries' foreign trade executives, taking part in the meeting, examined and approved the report on the progress made by the CMEA Standing Commission on Foreign Trade for 1982 and mapped out its further activities.

The adopted document expounds the work of the Commission and its bodies aimed at implementing the decisions taken by Congresses of the fraternal Communist and Workers' Parties, the Session of the Council for Mutual Economic Assistance, the Council Executive Committee with the purpose of expanding trade and economic relations between the CMEA countries.

The meeting also recorded the fact that the working people of the socialist community countries, guided by the decisions of the Congresses of the Communist and Workers' Parties, have fulfilled the tasks set for 1982. Compared to 1981, in 1982 the national income in the CMEA countries grew 2.2 per cent, industrial production—2.3 per cent and foreign trade—6.6 per cent, reaching 267,000 million rubles.

The economic successes achieved by the socialist community countries stand out in bold relief against the background of the three-year crisis the capitalist countries are going through. Industrial output of the advanced capitalist countries fell five per cent, and their world trade dropped four per cent.

This comparison shows the advantages of the CMEA countries' planned socialist economy and their cooperation.



The CMEA countries' mutual trade volume rose from 133,600 million rubles in 1981 to 149,200 million in 1982, 11.5 per cent more and exceeded the level expected and set in long-term trade agreements.

The constantly growing trade and economic cooperation of the CMEA countries has become an important factor actively contributing to the fulfilment of their socio-economic development plans.

Trade between the CMEA countries in their aggregate turnover rose from 53.4 per cent in 1981 to 55.9 per cent last year.

Mutual deliveries cover most of the CMEA countries' needs for vital fuels, raw and other materials, consumer goods, machinery and equipment, etc.

The volume of trade in specialized products inside the CMEA community is considerable, machinery and equipment taking 81.6 per cent of the general total against the 79.6 per cent in 1981.

Recent years have registered a marked growth in the deliveries of specialized goods of the chemical industry, including synthetic rubber, chemical and biochemical additives to fodder, pharmaceutical products, herbicides and pesticides, small-tonnage chemical products, etc.

The Soviet Union's trade with other CMEA countries grew 12.5 per cent last year rising to 58,700 million rubles against the 52,200 million in 1981.

In 1983 a further expansion of trade between the CMEA member-countries is envisaged. It is reflected, in particular, in trade protocols for this year indicating that the Soviet Union's trade volume with the other countries will reach 64,900 million rubles, 14.7 per cent higher than in 1982. This year the USSR's trade turnover will be 13,000 million rubles with the GDR; 10,700 million with Czechoslovakia; 10,500 million with Bulgaria; around 10,000 million with Poland; and 8,400 million with Hungary. The Soviet Union, Vietnam, Cuba, Mongolia and Romania are stepping up their mutual goods deliveries.

The protocols stipulate a further growth of reciprocal deliveries of modern machinery, equipment and instruments stemming from the expanded specialized and cooperated production which is facilitating technological progress in the socialist community countries.

Machinery, equipment and materials needed to implement the USSR Food Programme figure prominently in Soviet imports from other CMEA countries.

For instance, the GDR will supply farming machines, processing equipment, weed killers. Hungary will deliver equipment for the food industry, poultry and animal-husbandry farms, farming machines, insecticides. From Romania, the Soviet Union will get grain

waggon, pesticides, herbicides, planting stock and seeds. Czechoslovakia will increase its exports of tractors, haulm removers, mowing machines, hop-picking machines, equipment for making mineral fertilizers, various facilities for storing agricultural produce.

In exchange, the Soviet Union will supply tractors and combines for harvesting corn, flax, sugar beet, other agricultural machines, mineral fertilizers.

The mutual deliveries of machines and equipment, fuel, energy, raw materials, consumer goods, including foodstuffs, will assist the fulfilment of national development plans and satisfy the growing requirements of the population in the socialist community countries.

In 1982, the CMEA Standing Commission on Foreign Trade took major steps to expand trade and improve cooperation between the CMEA countries in various sectors.

Thus, the Commission reviewed the results made in the talks on concluding trade protocols for 1982 and mapped out measures needed to carry them into life. Steps were made to find out the additional delivery volumes of exports that are in excess of the amounts stipulated in long-term trade agreements and annual protocols.

Matters pertaining to deliveries of specialized goods, new agreements to be signed to implement long-term specific cooperation programmes and goods shipments under agreements on the construction of integration projects were regularly discussed.

It was noted, in particular, that in 1982 the Soviet Union supplied 2,100-million rubles' worth of products to the CMEA countries under agreements concerning the construction of integration projects. Soviet exports included natural gas, iron-containing raw materials, ferro-alloys, pulp, asbestos, electricity.

Work is in progress on implementing agreements with Hungary, Poland, Romania and Czechoslovakia on constructing the Khmel'nitskaya and South-Ukraine nuclear power stations, maintaining the output of ore-containing raw materials and their exports to the GDR, Romania and Czechoslovakia at the 1980 level, on

building a feed yeast plant, an aircraft repair hangar and other integration projects.

Integration marches on, as seen in the major new deals with the GDR, Czechoslovakia and Yugoslavia on the construction of the Urengoi-Uzhgorod gas pipeline in exchange for supplementary deliveries of natural gas. Talks are under way with other CMEA countries wishing to take part in the project.

In 1982 the Soviet Union had 302 agreements with the CMEA countries on specialized and cooperative production. Thus, the volume of specialized products exchanged between the Soviet Union and other CMEA countries reached 10,200 million rubles in 1982, topping the 1981 figure 19 per cent.

All this creates a sound foundation furthering the development of stable trade ties between the fraternal countries in this way meeting the growing requirements of their economies.

The Commission also dealt with various other matters.

The 6th session of the UN Conference on Trade and Development was to be held last June in Belgrade, the CMEA countries were participants.

The worsening international situation, the serious fall-away of world trade due to the protectionist steps taken by the United States and a number of Western countries and other limitations imposed by them raise the political importance of UNCTAD.

The agenda of the 6th UNCTAD session covers a wide spectrum of important problems: trade policy, trade relations between states with different socio-economic systems, trade in raw materials, monetary and financial problems among them. It considered the present state and prospects of the world economy against the background of the current crisis of the world capitalist system.

The CMEA countries' foreign trade executives thoroughly discussed all these problems, exchanging views on them in the Commission on Foreign Trade as part of the preparations for the 6th UNCTAD session.

## Communique Issued

Moscow FOREIGN TRADE in English No 7, Jul 83 p 4

[Text]

The 65th meeting of the CMEA Standing Commission on Foreign Trade took place in Moscow on April 12-14, 1983.

The meeting was attended by the CMEA member-countries' delegations whose leaders were: Kh. Khristov, Minister of Foreign Trade of the People's Republic of Bulgaria; R. Cabrias, Minister of Foreign Trade of the Republic of Cuba; B. Urban, Minister of Foreign Trade of the Czechoslovak Socialist Republic; H. Sötte, Minister of Foreign Trade of the German Democratic Republic; J. Vas, Deputy Minister of Foreign Trade of the Hungarian People's Republic; Jo. Ochir, Minister of Foreign Trade of the Mongolian People's Republic; T. Nestorowicz, Minister of Foreign Trade of the Polish People's Republic; V. Pungan, Minister of Foreign Trade and International Economic Cooperation of the Socialist Republic of Romania; N. Komarov, First Deputy Minister of Foreign Trade of the Union of Soviet Socialist Republics; and Hoang Chong Dai, Deputy Minister of Foreign Trade of the Socialist Republic of Vietnam.

In accordance with the Agreement between the Council for Mutual Economic Assistance and the Government of the Socialist Federal Republic of Yugoslavia, a SFRY delegation, led by K. Allagic, First Deputy Federal Secretary for Foreign Trade, took part in the meeting.

Representatives of the International Bank for Economic Cooperation and the International Investment Bank attended the meeting.

The Commission considered and approved the submitted report on progress and on future activities with account of the tasks set by the Executive Committee at its 105th sitting.

The Commission noted that in 1982 trade between the CMEA member-countries progressed considerably, amounting to 267,000 million rubles, a 6.6 per cent increase over the 1981 figure.

Measures were taken to further the CMEA members' mutual trade in accordance with the recommendations adopted by the Commission. As a result of agreed additional commodity shipments the CMEA countries' mutual trade volume in 1982 exceeded that expected under long-term trade agreements.

The Commission outlined the growing contribution the CMEA states cooperation is making to their mutual commerce, the volume of which exceeded 149,000 million rubles, an 11.5 per cent increase over the 1981 level. The CMEA member-countries' mutual trade in their overall foreign trade turnover rose from 53.4 to 55.9 per cent.

To account with the Commission's working plan, the meeting considered suggestions made by the working group having the task of improving the "General Principles of Providing the Machines and Equipment Supplied in Mutual Trade between the CMEA Member-Countries and Yugoslavia with Spare Parts" and also some other questions of foreign trade cooperation which would expand the CMEA countries' mutual trade, and adopted relevant decisions on them.

Much attention at the session was devoted to matters connected with preparations for the 8th UNCTAD session.

The meeting of the Commission was held in an atmosphere of comradely cooperation and mutual understanding.

Leaders of the CMEA member-countries delegations met Mr. A. McIntyre, Deputy Secretary-General of UNCTAD, and exchanged views on the forthcoming UNCTAD session.

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STRUCTURAL SHIFTS IN NATIONAL ECONOMIC COMPLEXES OF CEMA MEMBER-STATES

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 3,  
Mar 83 pp 70-72

[Article by Professor Stefan Sharenkov and Candidate in Economic Sciences Boris Medvedev, International Institute on Economic Problems of the CEMA World Socialist System: "Structural Shifts in the National Economic Complexes of the CEMA Member-States"]

[Text] The development of the productive forces of the CEMA member-states is accompanied by constant changes in their national economic structures, whose basic directions are determined by the capacities and needs of the individual countries as well as by their participation in the international division of labor. Socialist economic integration has a great effect on formulating the national economic structures. It intensifies the economic ties of the fraternal states and facilitates an ever greater rapprochement and interaction of their economies. The planned organization of the socialist economy makes it possible to consciously direct the process of structural transformations and to formulate the most optimal relations between individual branches and types of production, thereby increasing the functional effectiveness of the national economy as a whole. This is particularly important today, when most CEMA member-states are solving similar socioeconomic problems on the way to intensifying their economies and strengthening international socialist division of labor.

In order to determine the prospects and basic directions in the structural shifts in the national economies of the CEMA member-states, as well as the methods for optimizing reproductive proportions in the 80's, it seems expedient to analyze the basic traits in the structural shifts in the national economic complexes of the CEMA member-states in past years.

The dynamic system of national economic complexes is a complex combination of interrelated elements at different levels comprising a series of their structures--socioeconomic, reproductive, branch, technico-economic, territorial--which change with the development of the economy. There are corresponding changes also in the reproductive proportions, each of which has a certain effect on the process of expanded reproduction and on the effectiveness of utilizing the material and personal factors of production.

Naturally, the process of transformation is not uniform for different types of structures. It has the greatest effect on the socioeconomic structures of the CEMA member-countries which have reached a high degree of uniformity on the basis of social ownership of the means of production. This is particularly evident from the fact that in most CEMA member-states the proportion of workers, employees, cooperative farm peasants, handicraftsmen and artisans in the country's population exceeds 90 percent. The total predominance of the public and kolkhoz-cooperative forms of ownership is evidenced by the high proportion of the socialist sector in creation of the national income, which in 1980 comprised in the PRB 99.8 percent, HPR--97.0, GDR--96.5, MPR--100, PPR--84.4, SRR--95.5, USSR--100, and CSSR--95.5 percent.

Significant changes have occurred in the general economic (reproductive) structures of the CEMA member-states--in the distribution of the population engaged in the productive and nonproductive spheres, in the relation of productive and nonproductive capital, in the proportions between the I and II subdivisions of social production, and in the distribution of the national income to the consumption fund and the accumulation fund.

Under the conditions of socialist economy, the distribution of the work force between branches of production and types of activity occurs in a planned manner and is implemented in accordance with the tasks of continued development of the entire national economy. The more rapid rates of development of branches ensuring technical progress and increased effectiveness of social production determine an increase in the number and proportion of workers engaged in them. Moreover, technical progress and growth in labor productivity in agriculture lead to freeing a significant part of the work force, which goes to other branches of production and to the nonproductive sphere. Thus, the portion of those engaged in agriculture and forestry of the overall number of people working in the national economy of the PRB has been reduced in the last 20 years (1960-1980) from 55.5 to 24.6 percent, in the HPR (including water management)--from 38.9 to 22.0, in the GDR--from 17.2 to 10.5, in the MPR--from 60.8 to 39.9, in the PPR--from 44.1 to 26.3, in the SRR--from 65.6 to 29.8, in the USSR--from 38.8 to 20.2, and in the CSSR--from 26.0 to 14.2 percent.

The growth in the productivity of social labor, as well as the rapid development of science, education, public health and domestic service has significantly changed the proportions in the distribution of labor resources between the branches of material production and the nonproductive sphere. While in 1960 9.2 percent of the working population were engaged in the nonproductive sphere in the PRB, in 1980 the figure was 16.9 percent; in the HPR the figures were 14.3 and 19.0 respectively; in the GDR--15.3 and 19.4; in the MPR--13.0 and 24.0; in the PPR--11.6 and 17.2; in the SRR--7.6 and 12.4; in the USSR--15.2 and 23.1, and in the CSSR--13.6 and 19.9 percent.

The formulation of the reproductive structure greatly depends on the relations between growth rates of the I and II subdivisions of social production. Their development in turn is subordinate to the objective law of predominant growth in the production of means of production and is influenced by many

factors. An increase in labor productivity under conditions of machine production occurs on the basis of change in the relation between human and mechanized labor in favor of the latter, which regularly conditions the need for more rapid growth in the production of means of production as compared with the production of consumer goods.

Under socialism the relationship between subdivisions of social production is established in a planned manner with consideration for the specific needs and actual capacities of each stage of development. During the period of industrialization, when the countries were faced with the task of liquidating economic backwardness, there was a forced development of the I subdivision. In accordance with this there was also a more rapid growth of group "A" in industry. This tendency was retained until the early 70's. Thus, in 1961-1970 the growth rates of group "A" exceeded the growth rates of group "B" in the PRB by 88 points, in the GDR by 34, in the PPR by 61, in the SRR by 122, in the USSR by 36 and in the CSSR by 18 points, while the portion of group "A" in the structure of industrial production increased in the PRB from 47.2 to 54.7 percent, in the GDR from 60.8 to 64.3, in the SRR from 62.8 to 70.4, in the USSR from 72.5 to 73.4, and in the CSSR from 61.5 to 63.8 percent.

Only in the industry of the HPR was there a more rapid growth of production of consumer goods, which naturally led to a certain increase in their relative importance in the structure of industrial production.

In 1971-1980 the growth rates of groups "A" and "B" have come significantly closer together. Their gap has been reduced in the PRB to 52 points, in the GDR to 15, in the SRR to 65, and in the USSR and CSSR to 18 points. In the PPR the growth in production of consumer goods is catching up with the growth in production of means of production, while in the HPR as before the leading development of group "B" is retained, which leads to a further increase in its proportion in the structure of industrial production. In the other countries the proportion of group "A" (except for the PPR) in the structure of industrial production continues to increase.

The dynamics of the accumulation norm in the CEMA member-states is interesting (the proportions between the consumption fund and the accumulation fund in the national income, respectively). For the initial period of socialist transformations there was a characteristic high proportion of the consumption fund in all the countries--in 1950 from 91.5 percent in the GDR to 76.9 percent in the HPR. In the 60's, as a result of implementation of the policy of accelerated industrialization, the relative share of the consumption fund dropped significantly in most CEMA member-states (with the exception of the CSSR). This continued until the beginning of the 70's and was associated with the need for maintaining high rates of economic growth under conditions of diminishing capital-output ratio, which conditioned an increase in the production capital expenditures for each percentage point of growth in the national income.

The break-up of the old structure in the national economy with its inherent low rates of expanded reproduction, irrationality in the location of

Structure of the production national income by branches of the national economy (in percentages of the total)

Country	Year	Industry	Agriculture and forestry	Construction	Transport and communications	Trade, material-technical supply and procurements	Other branches of material production
FRG	1960	47.3	32.3	7.0	4.2	9.0	0.2
	1970	51.1	22.8	8.7	6.9	10.2	0.3
	1980	51.0	17.0	9.3	8.0	14.2	0.5
HFR	1960	37.6	29.8 <sup>1</sup>	11.6	5.6	14.1	1.3
	1970	44.1	21.7 <sup>1</sup>	11.5	6.0	15.0	1.7
	1980	50.8	16.0 <sup>1</sup>	10.8	5.5	15.3	1.6
GDR	1960	62.7	12.1	5.1	4.8	13.0	2.3
	1970	57.7	12.6	8.3	6.1	12.3	3.0
	1980	68.7	8.4	5.9	4.2	9.7	3.1
PFR	1960	46.9	25.8	9.7	5.3	10.3	2.0
	1970	54.6	17.3	9.8	6.7	9.9	1.7
	1980	54.9	15.4	9.2	7.4	10.4	2.7
SFR	1960	42.1	34.9	8.9	5.2	6.2	2.7
	1970	59.1	19.5	10.4	5.9	3.4	1.7
	1980	59.3	15.2	9.3	7.0	7.4	1.8
USSR	1960	52.3	20.7	10.0	5.4	11.6 <sup>2</sup>	—
	1970	51.1	22.0	10.4	5.6	10.9 <sup>2</sup>	—
	1980	51.5	15.1	10.3	5.8	17.3 <sup>2</sup>	—
CSSR	1960	63.4	15.2	10.7	3.0	7.0	0.7
	1970	62.1	10.5	11.3	3.8	11.3	1.0
	1980	65.0	7.5	10.6	4.2	12.3	0.4

<sup>1</sup>Agriculture.

<sup>2</sup>Including other branches of material production.



productive forces and one-sidedness of their development was in many ways conditioned by the increased growth of production of means of production and industry as a whole. In 1950-1960 the growth rates of the latter comprised 397 percent in the PRB, 267 in the HPR, 287 in the GDR, 338 in the PPR, 340 in the SRR, and 273 percent in the CSSR, significantly exceeding the growth rates of agriculture, which for the same period comprised 181 percent in the PRB, 120 in the HPR, 195 in the GDR, 126 in the PPR, 171 in the SRR, and 115 percent in the CSSR. In the next 10 years the gap in growth rates of industrial and agricultural production was noticeably narrowed, although industry as before continued to increase its relative share in the production of the national income. In the 70's the growth rate of industrial production, although to a lesser degree, still continued to exceed the growth rate of the national income. The greatest changes in the structure of production occurred in those countries which in the past had a relatively lower level of development--the PRB, PPR, and SRR. In the GDR, USSR and CSSR the relationship between branches of material production changed to a lesser degree. All this led to a rapprochement of their national economic structures.

The greatest changes in the macrostructure of social production occurred in the period prior to the 70's. After the share of industry in creation of the national income reaches 50-60 percent, there is a relative stabilization in the proportions between the main branches of social production.

By the end of the 70's the structure of the fixed capital had on the whole been determined in most of the CEMA member-states. The predominant relative share went to the fixed production capital, in which fixed production capital in industry and construction occupied the leading position. In 1980 these comprised from 30.9 percent in the HPR to 48 percent in the SRR. There were no significant changes in the last 20 years in the other branches. This allows us to draw a conclusion regarding the expansion of the relative share of fixed production capital not at the expense of other branches of material production, but as a result of change in the proportion between the productive and nonproductive fixed capital, which was a reflection of the investment policy giving preference to the sphere of material production, where as a rule no less than 65-70 percent of all capital investments were directed.

However, the development of the nonproductive sphere from the standpoint of its financing cannot be characterized synonymously, in its temporal as well as in its statewide aspect. In the PRB, for example, prior to 1970 there was observed a reduction in the relative share of capital investments into the nonproductive sphere. During this same period there was also a significant reduction in the portion of fixed nonproductive capital in the overall volume of fixed capital--from 54.5 percent in 1952 to 35.6 percent in 1970. In the 70's the portion of capital investments into the nonproductive sphere began to grow, increasing by 3.9 points in 1980 as compared with 1970. The situation was analogous in the GDR, MPR, and PPR. In the HPR the relative share of capital investments into the nonproductive sphere fell to a minimum in 1960, after which it began to grow. In the SRR and USSR in 1960 this indicator was the highest, after which it began to drop successively. In the CSSR its fluctuations were insignificant, within a range of 1.5-2.6 points.

In analyzing the facts presented, it is very difficult to outline a general regularity in the distribution of capital investments between the productive and nonproductive spheres. It is generally determined by the economic policy of each country depending on the specific stage of its development. There are no clear regularities (or more accurately, linear dependences) in financing the development of individual branches of material production. Thus, the industry of the CEMA member-states has received sometimes greater, sometimes lesser (relatively) capital investments, which was evidently caused by the need for accelerated development of other branches or of the nonproductive sphere. As concerns the fixed industrial capital, its relative share in the overall volume of fixed production capital has experienced constant growth (with the exception of the CSSR). In the USSR in the second half of the 70's there has been a noticeable increase in the relative share of the capital investments directed toward the development of agriculture and associated with the need for its intensification.

A qualitatively new moment in the development of the CEMA member-states in the first half of the 80's will be the fact that the growth rates of the national income will surpass (for some countries rather significantly) the growth rates of the capital investments. For example, in the PRB there is projected an increase in the national income by 20 percent in 1981-1985, with a 14 percent increase in capital investments; in the GDR--an increase of 28 and 6 percent, respectively; in the MPR--an increase of 41 and 27 percent, in the SRR--an increase of 41 and 29 percent, and in the USSR an increase of 18 and 10 percent. In the HPR from 14 to 17 percent and in the CSSR from 10 to 14 percent of the growth in national income must be achieved practically without any increase in the capital investments.

The structure of capital investments is also changing. The predominant share is comprised of assets allocated for the reconstruction, modernization and expansion of already existing production capacities, for financing measures associated with the reduction of power and material consumption of production, for stimulating export production and for the output of products to replace imports, etc. In the PRB, for example, 70 percent of all the capital investments in the country's national economy are allocated for purposes of reconstruction and modernization of production. In the GDR a significant part of the investments will be directed toward strengthening the energy base, toward light industry and export production. In the USSR they will be directed toward improving the economic proportions. In the CSSR within the framework of a stable (at the 1980 level) capital investment fund, measures for rationalization of consumption, for the development of a domestic raw materials base, for increasing the effectiveness of export and reducing the volume of import, and for increasing the degree of the country's self-reliance in consumer goods will first of all be financed.

The proposed structural changes in the CEMA member-states in the 80's are directed toward the solution of a basic economic problem--placing the economy on an intensive path of development which will open new possibilities for the future mutual supplementation of the national economic complexes of the CEMA member-states, the mutual adaptation of their structures, and on a wider scale also the rapprochement of the national economies.

## EFFICIENCY OF INTERNATIONAL ECONOMIC ORGANIZATIONS

Moscow EKONOMICHESKOYE SOTRUDNICHESTVO STRAN-CHLENOV SEV in Russian No 5, May 83  
pp 57-59

[Article by Candidate of Economic Sciences Vladimir Vorotnikov, director of a problem group of the International Institute of Economic Problems of the World Socialist System: "The International Economic Organizations of the CEMA Member Countries: The Increase of Efficiency"]

[Text] Under the conditions of the implementation of the policy of the intensification of social production, which is being pursued by the countries of the socialist community, the task of increasing the efficiency of the work of all the units of the economy is acquiring particular urgency.

Such a task is also facing the international economic organizations<sup>1</sup> of the CEMA member countries as the central task. They are called upon to promote the most complete meeting of the needs of the participating parties on the basis of the efficient use of the potentials of the international socialist division of labor. Here with respect to the named organizations owing to the specific features, which stem from the international nature of the activity, the accomplishment of the indicated task is being complicated by a number of circumstances which are not characteristic of national enterprises and organizations. It is necessary to take them into account when evaluating the effectiveness of work, as well as the used forms and methods of their increase.

### The Peculiarities of the Evaluation of Efficiency

First, it should be taken into account that the experience of the operation of the majority of international economic and scientific and technical organizations, which were set up by the interested CEMA member countries on a multilateral and bilateral

1. What is meant is the set of all types and forms of international economic organizations: interstate economic organizations, which are created at the level of organs of state administration and ensure the coordination of the actions of the member countries on collaboration and cooperation, and international management organizations (associations, companies and joint enterprises), which are based on the membership of national management organizations and are called upon along with the performance of coordinating functions to carry out joint management activity.



basis, is insignificant. Many of the international economic organizations, which are functioning in the sectors of physical production, were established after the adoption of the Comprehensive Program. Some of them, in essence, are at the stage of formation. Experience, as is known, is one of the important conditions, on the one hand, of the development of the mechanism of activity (especially when it is a question of organizational forms which did not have analogues in the past) and, on the other, of the identification and purposeful use of the possibilities of increasing the efficiency of work.

Second, in the activity of international economic organizations the interests of each participating party are taken into account. In the case of the community of goals and tasks the specific interests of the individual partners have a specific nature. This cannot but leave a mark on the process of the preparation and adoption within joint organizations of coordinated decisions, as well as affect their content.

Third, while being by their legal status relatively independent, the international economic organizations at the same time should also coordinate and link their activity with the work of CEMA organs.

Fourth, the efficiency of the work of international economic organizations is primarily predetermined by how completely the basic goal of the creation of each of them is achieved. And here a complication arises. The point is that the result of the measures being implemented by them is concentrated separately in each country, which makes more difficult the evaluation of the aggregate impact of the coordinating activity of international economic organizations of different types.

It would seem easier to evaluate the efficiency of joint enterprises, which carry out a specific production activity on the basis of cost accounting and take into account the fulfillment of the plan indicators, including the profit and the profitability. However, the production and financial results of the work of such enterprises can characterize their activity only in part. For the evaluation of the actual scale of the profit the interested countries would need to take into account the indirect impact which is obtained in each of them as a result of the use of the products being produced or the services being performed by the international economic organizations.

For example, the utility of the work of the Interlikhter International Shipping Enterprise is determined not so much by the profit, which is derived by it and is distributed in part among the member steamship companies, as by the national economic saving on freight transportation. It originates due to the use by Interlikhter of a modern lighter-carrying system, which eliminates the need for the repeated transshipment of cargo during its transportation by different types of land and water transport from the states bordering on the Danube to the ports of the Indian Ocean and the Mekong delta. That is why it is possible at present to judge the efficiency of the activity of international economic organizations only from individual facts which give a definite idea about some directions of their work.

Finally, the diversity of the currently operating international economic organizations and their affiliation with the different types and forms, with different sectors of production and spheres of cooperation should be taken into account. By the end of 1982 there were more than 30 multilateral and 20 bilateral economic organizations, including scientific and technical organizations.



A number of multilateral international economic organizations operate in the area of industry. They belong to various sectors and types of production, which limits the possibilities of the mutual sharing of the experience of accomplishing specifically sectorial tasks. Only a few organizations, first of all in related sectors of production, maintain business contacts with each other. For example, interrelations of the Interkhim International Sectorial Organization in the area of small-tonnage chemistry and the Interkhimvolokno International Management Organization have been established. However, for the sharing of the experience of using the reserves of the work of these organizations the effectiveness of such contacts is low. And not only because their products list differs substantially, but also owing to the fact that they relate to different types of organizations (the former relates to interstate associations, the latter—to management associations).

#### Examples of Efficiency

The international economic organizations at present have definite experience in the effective solution of the problems of cooperation. It is possible to judge the results and trends of the development of their activity from a number of facts. For example, the Central Dispatching Administration of the United Power Systems. During the existence of this organization, which marked its 20th anniversary in 1982, the interchange of electric power between the member countries increased by 10-fold. Such an increase was ensured by the realization with the direct assistance of the Central Dispatching Administration of the advantages of the joint solution of the problems of the power supply of the national economy of the member countries: the planned nature of the interchange of power, the coordinated development of the capacities of the electric power stations, the formation of a system which ensures the emergency reciprocal deliveries of electric power and the equalization of the differences between the peak loads in the member countries.

In 1982 the installed capacity of the power systems which operate in parallel came to more than 140,000 MW, which exceeded by 5-fold the initial capacity. The Central Dispatching Administration is an organization which performs dispatching functions, without which it would be impossible to carry out the coordinated operation of the United Power Systems, which enables the countries to save large amounts of capital investments.

Another example is Interelektro. Its activity to a certain extent is characteristic of the international economic organizations which are engaged in the coordination and implementation of measures in the area of production, scientific and technical cooperation in the sectors of physical production. With the creation of Interelektro, which encompasses an extensive products list, the solution of various problems connected with the intensification of the international specialization and cooperation of production in the electrical equipment industry was expedited appreciably; the opportunity to differentiate more clearly the goals and directions of the development of nine subsectors, with each of which a special task force constantly deals, appeared and is being realized; a system of the effective supervision of the fulfillment of the decisions agreed on by the member countries was created.

As a result the expansion and intensification of the international specialization and cooperation of production in the sector are occurring more rapidly. At the time of the establishment of Interelektro (1973) only 117 line items were covered

by recommendations of various types on the specialization of electrical engineering products, in 1976-1980 346 were, while during the current five-year plan it is planned to increase the number of specialized types of products by more than twofold. During the current five-year plan as compared with the preceding five-year plan the barter of specialized products in the electrical equipment industry will triple, while with respect to the period preceding the formation of Interelektro it will increase tens of times. The results of the work of this organization in scientific and technical cooperation are also significant.

Such trends are also being observed in the spheres of activity of several other international economic organizations (OSPP [not further identified], Interkhim, Agromash), as well as international management associations.

Valid comments are frequently made with reference to the latter primarily because of the four multilateral associations only in one, Interatominstrument, is the activity being carried out on the basis of self-sufficiency. The lack of a solution of the problem of cost accounting, of course, influences the evaluation of their work. Indeed, the fact that, not having been able so far for a number of reasons to organize joint management activity, these associations are performing useful work on the coordination of the actions of the parties, which are interested in the development of collaboration and cooperation, at times is overlooked. The Interatominstrument International Management Organization, for example, which is promoting the intensification of the international specialization and cooperation of production and reciprocal deliveries of nuclear instruments, has definite achievements in this area.

They are also engaging in such work in other joint associations. For example, within Intertekstil'mash the measures on the specialization and cooperation of production are based on three agreements, which have been in effect since 1975 and now encompass 75 percent of the range of machines and equipment for light industry. In connection with their sale the mutual deliveries of equipment for the textile industry during the past five-year plan nearly doubled, while for the sewing industry they increased by 30 percent. The cooperation in the production of looms like the STB, in which five countries represented in the association (Bulgaria, Hungary, Poland, the USSR and the CSSR) are participating, is also yielding positive results. The five-fold increase of their production during 1972-1980 to a considerable extent is a result of the development of cooperative ties between the management organizations which are members of Intertekstil'mash.

The IAE International Management Association is making a certain contribution to the development of the specialization and cooperation of the production of equipment for nuclear electric power stations. It directly participated in the drafting of the program of the maximum possible development of nuclear power machine building in the CEMA member countries, which was endorsed by the CEMA Session (31st meeting). The association is performing much work on its implementation, by furthering the activity of the intergovernmental commission which was set up for coordinating the cooperation of the countries in this area. In the IAE International Management Association they are engaged in the elaboration of uniform norms and demands (standards) on the production and use of power equipment, accessories and instruments for nuclear electric power stations, as well as standard technical documents for the equipment being produced for nuclear electric power stations. Only production organizations belong to this association.

As a whole the facts attest to a definite impact of the activity of international economic organizations in a number of sectors of production and areas of cooperation. At the same time they have considerable reserves, the use of which, undoubtedly, would be of benefit.

#### The Reserves of the Increase of Efficiency

The decisions of the CEMA Session (32d meeting), which aimed them at joint work with the organs of the council on the preparation and implementation of large-scale measures, at the coordination of their plans with these organs, at the use of the potentials of the improvement of work and so on, played an important role in the further increase of the efficiency of the work of the international economic and scientific and technical organizations.

In conformity with the mentioned decisions measures on the further improvement of the organization of cooperation and the improvement of the activity of the international economic organizations set up by these countries were implemented in the CEMA member countries and the organs of the council. At the 34th meeting of the CEMA Session it was noted that the steps taken on the improvement of the work of international economic organizations of various types had promoted the animation of their economic, scientific and technical cooperation.

At present the possibilities of the further increase of the efficiency of the work of international economic organizations are very diverse. They depend specifically on the character, specific nature and sectorial affiliation of each organization and cannot be examined in this article. The overall trend of the increase of the effectiveness of international economic organizations involves the improvement of their coordinating and organizing functions, to which there should first of all be assigned the assurance of:

a distinct long-range direction of the work on the basis of the more complete and comprehensive use of the different forms of joint planning activity. The current activity of international economic organizations would thereby be subordinated to the specified long-range goals and tasks, would acquire greater certainty and purposefulness, having increased the degree of validity of the choice of the priority directions of the work. It is important within each international economic organization to change over from individual elements to a system of joint planning activity, which includes the long-range programming of cooperation (on the basis of joint forecasting and agreed on concepts of the development and intensification of the international division of labor in the corresponding sectors and types of production), as well as intermediate-term joint plans and 2-year plans;

the increase of the level of the work on the analysis of the state and trends of the development of the corresponding sectors and subsectors of production, for which the problem of the necessary information support of the international economic organizations by the partners should be solved;

effective measures on the organization of the international specialization and cooperation of the production of new promising types of products;

the close interconnection of the settlement of questions of specialization and production cooperation, on the other hand, and scientific and technical cooperation, on the other;

the enlistment in the elaboration of measures on economic cooperation of the managers of national management organizations, as is being used in practice in Interkhim.

As to the efficiency of joint management activity, this is a special theme.

At the 26th CPSU Congress, as is known, it was noted that life itself is posing the task of the creation of joint firms. Its accomplishment involves not only the formation of new international economic organizations, but also the development of the already existing ones. In our opinion, some of them with the expansion and intensification of their activity can serve as the basis for the formation of joint firms.

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TRADE DOCUMENTS WITH GDR, HUNGARY, MONGOLIA, VIETNAM SIGNED

Moscow FOREIGN TRADE in English No 4, Apr 83 pp 29-30

[Text]

## USSR-GDR

Under the trade protocol for 1983 signed by the USSR and the GDR in January this year the general annual trade turnover will be worth about 13,000 million rubles.

On the basis of specialization in production, the Soviet Union will deliver machines and equipment to the GDR's various industries.

In particular, the Soviet Union will step up deliveries of special technological equipment for the electronics and microelectronics industries. Our country will continue large-scale deliveries of basic fuels and raw materials, including coal, coke, oil, natural gas, ferrous and non-ferrous metals, iron ore, timber, cotton and other goods, vital for the planned development of the GDR's economy.

As before, the GDR's exports to the USSR are mostly composed of various kinds of transportation means, machinery and equipment, intended first of all for projects to be commissioned in the current five-year-plan period. The Soviet Union will receive large quantities of automatic machine-tools and forging and pressing equipment, microelectronics technological equipment, computers, equipment for the

oil-refining, gas extraction and chemical industries, and various instruments. In particular, it is planned to supply complete equipment for two small-section wire drawbenches, complete lines for soda ash production, processing plastics, and polyethylene production. The GDR will export modern passenger and fishing ships, railway cars, lorries. In 1983, the GDR will increase its supplies of machinery, equipment and materials which will help to implement the USSR's Food Programme. These deliveries include agricultural machinery, equipment for the processing sectors, pesticides and other goods. Cooperation helps the GDR to expand its exports of equipment and materials needed by the USSR to boost the production of consumer goods. The Protocol also envisages increased supplies of consumer goods, including garments, knitwear, furniture, leather haberdashery, kitchen ware and household chemical products, medical items and other commodities of wide demand from the GDR. The GDR will remain a supplier of chemical and other products.

The Protocol was signed by N.D. Komarov, Soviet First Deputy Minister of Foreign Trade, and H.S. Sölle, Minister of Foreign Trade of the GDR.

## USSR-Hungary

Under the trade protocol for 1983 which the two countries signed in Moscow January last, their trade will grow compared to 1982 and exceed 8,000 million rubles.

In 1983 Hungary will receive Soviet metal-cutting lathes, mining equipment, computers, road-building machines, tractors, lorries and cars. Soviet deliveries will cover as usual a large part of Hungarian needs in basic fuels and raw materials, including oil and oil products, natural gas, electricity, iron ore, timber. The USSR will continue to deliver to Hungary industrial consumer goods, such as refrigerators, washing machines, watches, cameras, vacuum cleaners and other household items.

An important place in Hungary's exports to the Soviet Union will be occupied by telecommunications equipment, computers, electrical engineering equipment, buses, gantry and floating cranes. The Protocol also provides for Hungarian stepped-up exports for the agro-industrial complex (equipment for the food industry, poultry- and cattle-breeding complexes, agricultural machinery, toxic chemicals), foodstuffs and industrial consumer goods (fabrics, footwear, garments, knitwear).

N.D. Komarov, First Deputy Minister of Foreign Trade signed the Protocol on behalf of the USSR and J. Ambrus, Deputy Minister of Foreign Trade, on behalf of Hungary.

## USSR-Mongolia

A Protocol on Trade and Payments between the USSR and the Mongolian People's Republic was signed in Moscow, January 21 this year.

The Protocol provides for a further growth in mutual goods deliveries.

The Soviet Union is increasing its deliveries of various machines and equipment to Mongolia and will continue supplying the Republic, as in previous years, with consumer goods.

The Mongolian People's Republic, in addition to traditional exports, will increase the volume of its shipments to the Soviet Union of products manufactured by the Republic's rapidly developing mining and light industries.

I.T. Grishin, Deputy Minister of Foreign Trade of the USSR and Yo. Ochir, Minister of Foreign Trade of the Mongolian People's Republic signed the Protocol on behalf of their governments.

## USSR-Vietnam

A Protocol on Trade and Payments between the USSR and the Socialist Republic of Vietnam for 1983 was signed in Hanoi last December.

The Protocol provides for a noticeable growth in shipments of Soviet goods to Vietnam as against 1982. As before Vietnam will be supplied with power-generating plant, transport facilities, raw and other industrial materials and also some consumer goods. Deliveries will be increased of such vitally important goods as lorries, oil products, nitrogen fertilizers, cotton, etc.

The Soviet Union is to import more Vietnamese goods than in the previous year. Vietnam will increase its traditional exports of coffee, tea, essential oils, black and red pepper, fresh vegetables and fruit, handicraft articles.

The realization of the Protocol will be conducive to the further development of trade and economic relations between the two countries, normalization of the Vietnamese economy

and assure fuller provision of some Vietnamese industries with raw materials.

I.T. Grishin, Deputy Minister of Foreign Trade, signed the Protocol on

behalf of the USSR, and Hoang Trong Dai, Deputy Minister of Foreign Trade, on behalf of the Socialist Republic of Vietnam.

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**CSO:** 1812/211

## USSR-CEMA TRADE

### PROTOCOL SIGNED WITH CUBA

Moscow FOREIGN TRADE in English No 5, May 83 p 32

#### [Text]

Last February the Soviet Union and the Republic of Cuba signed a Protocol on Trade and Payments for 1983 in Moscow, providing for a further expansion of mutual trade between the two countries and strengthening trade and economic cooperation. The trade turnover will exceed the 1982 level and amount to more than 6.5 million rubles.

This year the USSR will continue its shipments to Cuba of metal-cutting lathes, power-generating plant and hoisting gear, lorries and passenger cars, tractors, road-building machinery, aircraft, ships and marine equipment, oil and oil products, pig iron, ferro-alloys, rolled ferrous metals, chemicals and also consumer goods and some types of foodstuffs.

Cuba will supply the USSR with raw sugar, nickel-containing raw material,

citrus fruit and products of their processing, tobacco articles, rum and liqueur, as well as other, traditional and new, Cuban exports.

Meeting the commitments on mutual goods deliveries, provided for by the 1983 Protocol, will help fulfil both countries' state economic development plans, raise production efficiency and more fully satisfy the population of the Soviet Union and the Republic of Cuba's growing requirements.

The Protocol was signed by N.D. Komarov, USSR First Deputy Minister of Foreign Trade, and R. Cabrisas Ruiz, Foreign Trade Minister of the Republic of Cuba. Rene Anillo Capote, Ambassador of the Republic of Cuba in the USSR, attended the signing ceremony.

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## USSR-CEMA TRADE

### PROTOCOL SIGNED WITH BULGARIA

Moscow FOREIGN TRADE in English No 5, May 83 p 32

[Text]

Last February a Trade Protocol between the Soviet Union and the People's Republic of Bulgaria was signed for 1983.

The trade turnover will grow as against the 1982 figure and exceed 10,000 million rubles. Further development will be given to Soviet-Bulgarian production specialization and co-operation, mainly in mechanical engineering, thus promoting technical progress in different sectors of both countries' economies.

In 1983 the Soviet Union will export to Bulgaria metal-cutting lathes, electrical, mining and chemical equipment, motor vehicles, bearings, tractors, aircraft, raw and other materials required for the further development of Bulgaria's economy.

Considerable place in Bulgarian shipments to the USSR is occupied by

machines and equipment, including hoisting gear, agricultural machinery, computers, communication equipment. Deliveries will be continued of soda ash, synthetic cord fabric, grape alcohol, tobacco, pesticides and other chemicals and also garments, knitwear, coats and other articles made from fur, cigarettes, medicines, furniture, and foodstuffs.

The fulfilment of commitments on mutual deliveries provided for by the Protocol, will contribute to the planned economic development of both countries, bring about greater production efficiency, and more fully meet the Soviet and Bulgarian population's increasing requirements.

N.D. Komarov, USSR Deputy Minister of Foreign Trade, and Kh.Khrystov, Minister of Foreign Trade of the People's Republic of Bulgaria, signed the Protocol.

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## USSR-CMEA TRADE

### PROTOCOL SIGNED WITH ROMANIA

Moscow FOREIGN TRADE in English No 5, May 83 p 32

#### [Text]

Last January the Soviet Union and the Socialist Republic of Romania signed in Moscow a Protocol on Trade Turnover for 1983, envisaging a further growth of commerce between the two countries.

The Trade Protocol takes into account the sides' commitments under the Soviet-Romanian Long-term Trade Agreement for the 1981-1985 period and other arrangements on economic cooperation for 1983.

The USSR will continue its shipments to Romania of raw materials: metallurgical coke and charge for coking, coal, pig iron, rolled ferrous and non-ferrous metals, cotton, fertilizers, chemicals and other goods as well as products manufactured by projects built in the USSR with Romania's participation within the framework of the CMEA integration measures: ferriferous raw materials, natural gas, ferro-alloys, pulp, asbes-

tos and also traditional types of plant and machinery: metal-cutting lathes, power-generating and mining equipment, lorries and road-building machines, ships and marine equipment, aircraft.

Romania, as in previous years, is to supply the Soviet Union with different types of machines and equipment, among which the share of farm machinery will be increased. In addition deliveries will be continued of grain-carrying cars, chemical plant-protective means, seeds and planting stock, all for promoting the realization of the USSR Food Programme. As before consumer goods and chemicals will occupy a considerable place in Romanian deliveries.

N.D. Komarov, USSR First Deputy Minister of Foreign Trade, and V. Pungan, Romanian Minister of Foreign Trade and International Economic Cooperation, signed the Protocol.

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## USSR-EAST EUROPE BILATERAL TRADE

### POZNAN FAIR REFLECTS POLISH RECOVERY

PM071425 Moscow EKONOMICHESKAYA GAZETA in Russian No. 29, Jul 83 (signed to press 11 Jul 83) p 20

[Report by A. Khomutov under the rubric "Foreign Economic Ties": "Traditional Fair in Poznan"]

[Text] At the height of summer this year the ancient Polish city of Poznan received businessmen from many countries in the world. It was the venue for the 55th Poznan International Fair. About 3,400 firms from 32 countries took part in it.

The interest shown in this event by foreign business circles is illustrated particularly vividly by the fact that 800 firms and 6 countries more than last year took part in the fair. This has shown yet again the futility of the attempts by world reaction headed by the U.S. administration to fence off socialist Poland from foreign trade ties with many states in the world by boycott and sanctions.

The organizer-country itself, the Polish People's Republic, was the largest participant in the fair, represented by over 1,700 exhibitors. Poland showed the extensive variety of its shipbuilding, machine tool building, electronic calculating equipment, road machine building, agricultural, and other sectors of processing industry, and products of its raw materials sectors and light industry products. The exhibition of these goods and the export agreements for many of them concluded here reflected the growing potential of Poland's economy. In 1982 the Polish People's Republic exceeded the 1981 levels in many vitally important indicators, 1981 being the year when the subversive activity by external and internal counterrevolution reached the highest level of intensity. The selfless work by the working class and the Polish working people, together with the timely and selfless assistance by the socialist community countries, are frustrating the subversive anti-Polish actions by the enemies of socialism. This was sensed by the representatives of Western business circles, which showed remarkable passivity in Poznan in 1981 and 1982. Now, in the summer of 1983, the total value of contracts concluded at the fair was 1.5 times higher than last year, while the value of contracts with capitalist firms more than doubled.

The Soviet Union organized one of the largest stands at the fair. One of its sections was devoted to the Kirghiz SSR's achievements. Many exhibits at the Soviet stand reflected the high efficiency of bilateral economic, scientific, and technical cooperation between the USSR and Poland and the successes of CEMA member countries' participation in the process of socialist economic integration.

The largest contracts in the fair's history were concluded in Poznan in the summer of 1983. These were Soviet-Polish contracts to a total value of R1 billion, compared with R780 million last year and R600 million in 1981. Soviet foreign trade organizations have sold Poland an entire range of vitally important industrial and raw material goods, including some the provocative cessation of deliveries of which by the West had an especially adverse effect on Poland's economy. On the other hand, Soviet organizations bought from Poland various equipment to a total value of over R430 million, thus helping create for many Polish enterprises more favorable opportunities to export their output, which was complicated by the unilateral sanctions imposed by the United States and other NATO countries.

Within the framework of the USSR National Day held at the fair much attention was given by the Polish public to the meeting between representatives from over 20 Polish "Clubs for Economic Cooperation with the Soviet Union," whose members are many large and small Polish enterprises exporting their products to the USSR.

Bulgaria, Hungary, the GDR, Cuba, Romania, the CSSR, Yugoslavia, and the DPRK also had their stands in Poznan.

The largest participants among capitalist countries were Austria, Italy, and the FRG, whose exhibits were next to those of Denmark and Norway, the United States and France, Sweden and Switzerland. Argentina, India and other developing countries were also represented at the fair.

The PZPR Central Committee organ TRYBUNA LUDU was justified in noting that this year's Poznan fair is evidence of the fact that socialist Poland is returning faster than its enemies supposed to its traditional position in international economic ties.

CSO: 1825/69



## TRADE WITH LDC'S

### USSR-KAMPUCHEAN TRADE AND ECONOMIC COOPERATION

Moscow FOREIGN TRADE in English No 5, May 83 p 27

[Article by Pyotr Sergeyev]

[Text]

Last February Moscow was the venue of signing, for the first time in the history of Soviet-Kampuchean trade and economic cooperation, a Long-Term Agreement on Trade and Payments for the 1983-1985 period and also a Trade and Payments Protocol for 1983.

The Soviet Union has had trade relations with this country since 1957. They suffered a break in 1973 when the power in Cambodia (the name of the country up to 1975) was in the hands of a right pro-American grouping. Between 1957 and 1973 the biggest trade volume was achieved in 1962, reaching 7.5 million rubles.

After the victory in Kampuchea of the revolutionary-patriotic forces in January 1979 the Soviet-Kampuchean trade and economic relations were resumed.

As far back as 1979 the Soviet Union began shipping many goods to Kampuchea gratis.

In 1980, in addition to rendering free help, the Soviet Union started delivering goods to Kampuchea on a commercial basis; the same year Kampuchea sent to the USSR the first consignments of its commodities.

The years 1981 and 1982 marked a further growth of Soviet-Kampuchean trade and economic cooperation, it progressed both in quantity and quality. In 1981 trade between the two countries reached 61.6 million rubles, with Soviet export amounting to 59.7 million rubles, and import—1.9 million rubles.

The 1983-1985 Trade and Payments Agreement and the Protocol on Trade and Payments for 1983 between the USSR and Kampuchea open up a new opportunity for expanding the mutual trade. Under these documents the Soviet Union is to supply Kampuchea with increasing quantities of oil products, rolled ferrous metals, machines and equipment, consumer goods for rehabilitating its national economy. Farm machinery, tractors and fertilizers will occupy a special place in the deliveries of Soviet goods to Kampuchea between 1983 and 1985.

The People's Republic of Kampuchea will ship to the USSR in the 1983-1985 period its traditional exports (natural rubber, wood, tobacco).

I.T. Grishin, Deputy Minister of Foreign Trade of the USSR, and Taing Saroem, Minister of Commerce of the People's Republic of Kampuchea, signed the documents.

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CSO: 1812/235

## TRADE WITH LDC'S

### SOVIET-ECUADORIAN TRADE AND ECONOMIC MATTERS

Moscow FOREIGN TRADE in English No 5, May 83 pp 43-44

[Article by Izabella Kuznetsova]

[Text]

From November 27 to December 3, 1982, an Ecuadorian delegation led by Orlando Alcivar, Minister of Industry, Commerce and Integration, visited the Soviet Union to carry out negotiations on furthering businesslike cooperation between the two countries. The Soviet delegation at the talks was led by A.N. Manzhulo, Deputy Minister of Foreign Trade. J.C. Fajutti, Ambassador of Ecuador in the USSR, also took part in the negotiations.

During his stay in the USSR Minister O. Alcivar was received by B.P. Bugaev, the Soviet Minister of Civil Aviation, P.Ya. Koshelev, Deputy Chairman of the USSR State Committee for Foreign Economic Relations, and leaders of some Soviet foreign trade organizations.

In recent years Soviet-Ecuadorian trade has certainly progressed. The first meeting of the Intergovernmental Soviet-Ecuadorian Commission on Trade and

Economic Cooperation, held in Quito in 1981, was a positive factor, conducive to this. Mutual goods deliveries have increased, Ecuador has become at present a big buyer of Soviet motor vehicles in Latin America and a major supplier of bananas to the USSR. Trade in these goods is mutually coordinated and its terms are favourable for both sides.

During the negotiations with Minister O. Alcivar the parties considered the state of trade and economic relations between the USSR and Ecuador, noted the growth of mutual deliveries in 1981 and 1982 as against the previous years. However, they took notice of the fact that the trade could reach greater stability and volume both through an increase in mutual sales of goods which the countries are already exchanging and through introducing new commodities to the trade.

The Soviet delegation noted that the expanded exports of Soviet machines and equipment to Ecuador would help stabilize the development of Soviet-Ecuadorian trade, in particular, lorries and passenger cars, ships of various types, tractors, agricultural and road-building machines, machine tools, power-generating and other equipment. Attention was drawn to the fact that Soviet motor vehicle exports should be linked to the purchases of Ecuadorian bananas. At the same time the Soviet delegation expressed its concern about the reduced Soviet automobile exports to Ecuador in 1982 caused by the fact that the Ecuadorian authorities had not issued the corresponding import licences, stressing that the Soviet side had fulfilled its obligations in respect of purchases of bananas in Ecuador in due time.

With the aim of saving on freight, the sides considered the possibility of delivering Ecuadorian oil to Cuba as a part of Soviet obligations, and the corresponding quantities of Soviet oil to one of the European countries to which Ecuador has commitments. Negotiations on this matter will be continued between both countries' respective commercial organizations.

The sides confirmed their interest in developing bilateral economic and technological cooperation on a mutually beneficial basis. The Soviet side informed about Soviet organizations' interest in resuming bilateral talks on signing a contract for the shipment to Ecuador of oil storage tanks in conjunction with deliveries of Ecuadorian bananas. The Soviet delegation also ex-

pressed its readiness to start negotiations on cooperation in prospecting for solid minerals, including assistance in improving Ecuador's geological services, in drilling for water, and besides expressed its readiness to consider Ecuadorian organizations' offers to cooperate in other fields.

As the Ecuadorian side is interested in Soviet organizations' participation in developing Ecuador's power industry, the Soviet side expressed readiness to consider Ecuadorian organizations' proposals on the specific matters of such cooperation, including the drawing-up of schemes for using the country's power resources and designing some power projects.

The parties agreed to exchange, if necessary, groups of experts for different projects, specifying terms and form of possible cooperation.

The negotiations marked as a positive fact the repeated participation of Soviet foreign trade organizations in international fairs held in Ecuador.

The delegations agreed that for establishing closer contacts and discussing possible forms of cooperation the exchange of delegations of the USSR Chamber of Commerce and Industry and of chambers of industry of Ecuador would be advisable. The Soviet delegation informed about the USSR Chamber of Commerce and Industry's readiness to receive a delegation of the chambers of industry of Quito and Guayaquil in the Soviet Union.



It gave the delegations pleasure to note that on November 17, 1982, the Provisions Governing the Intergovernmental Soviet Ecuadorian Commission on Trade and Economic Cooperation, signed at the first meeting of the joint commission, had entered into force.

A Final Act on the results of the negotiations with the Ecuadorian delegation was signed.

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## TRADE WITH LDC'S

### SOVIET-ETHIOPIAN COOPERATION PROTOCOL SIGNED

PM280927 Moscow EKONOMICHESKAYA GAZETA in Russian No 30, Jul 83 (signed to press 18 Jul 83) p 21

[Unattributed article under the rubric "Foreign Economic Ties": "On a Long-Term Basis"]

[Text] A routine session of the Soviet-Ethiopian intergovernmental commission for economic, scientific, and technical cooperation and trade was held in Moscow 4-12 July.

Questions relating to the implementation of existing intergovernmental agreements on cooperation in the construction in socialist Ethiopia of a number of installations in various spheres of the economy, and to trade between the two countries were discussed.

Prospects for developing economic relations, including cooperation in the sphere of geology and mining, power engineering, industry, planning, and training were examined.

A protocol and other intergovernmental documents were signed on the results of the commission's work. They were signed by Ya. P. Ryabov, chairman of the State Committee for Foreign Economic Relations, and Ethiopian Industry Minister Haile (Yemenu).

The commission's work will help to further expand and deepen equitable and mutually advantageous Soviet-Ethiopian cooperation in the economic and trade sphere on a stable and long-term basis.

CSO: 1825/70

## TRADE WITH LDC'S

### SOVIET-IRANIAN COOPERATION IN ENERGY VIEWED

NC091020 Moscow in Persian to Iran 1700 GMT 8 Jun 83

[From the "Special Program for Listeners" feature]

[Excerpt] Dear friends, we now want to answer a question by Mr (Nazemi), one of our listeners, on Soviet-Iranian cooperation in the energy industries.

Before answering his question, I think it should be stressed that energy is a very complicated problem in many developing countries. The installation of electricity generators requires large investments and long training for the cadre of experts who will operate them.

Soviet-Iranian cooperation began about 20 years ago. In the summer of 1963, our countries signed an agreement under which the construction of a large hydrotechnical center and hydroelectric installations on the Aras border river began. These installations, which comprise two hydroelectric plants on the Iranian and Soviet banks of the Aras River, became operational in 1981.

While speaking about Soviet-Iranian cooperation in the field of energy industries, one should not forget the Tabriz thermal power plant that was built 2 years later. All these electricity generators made it possible for Iran to better ensure the supply of electricity to its northern areas.

The Ramin thermal power plant near Ahvaz is now being built with Soviet cooperation. This plant is to become one of Iran's most powerful generators. Once all four units of this generator become operational, the electricity for Khuzestan will be reliably ensured.

Five years ago an executive agreement was signed between Tekhnopromeksport of the Soviet Union and the Tavanir Company of Iran on the construction of a thermal power plant near Isfahan. Two other socialist countries, Poland and Hungary, are participating in the construction of this generator.

Dear friends, Soviet-Iranian cooperation in the energy industries field is helping to solve Iran's energy problems, and its objective is to meet your country's urgent needs in the field of electricity. Understanding this, the Soviet Union is prepared, in the future too, to extend technical assistance to Iran in the construction of energy industry units.

CSO: 1825/70

## TRADE WITH LDC'S

### BRIEFS

**USSR-AFGHANISTAN TRADE**--A trade protocol between the USSR and the Democratic Republic of Afghanistan for 1983, stipulating a further growth in mutual deliveries, was signed in Moscow last January. The Soviet Union will export to Afghanistan equipment and machinery, oil products, ferrous metals, fertilizers, timber, paper, fabrics, goods for cultural and domestic purposes. The USSR will import from Afghanistan natural gas, cotton, wool, small hides and skins, dried fruit, citrus fruit, oil seeds, carpets and rugs among other goods. The Soviet Union and Afghanistan also signed an agreement on transit matters. N.D. Komarov, First Deputy Minister of Foreign Trade, on behalf of the Soviet Government and M. Kh. Jalalar, minister of commerce, on behalf of the Government of Afghanistan, signed the document. [Text] [Moscow FOREIGN TRADE in English No 4, Apr 83 p 30] [COPYRIGHT: "Vneshnyaya torgovlya" 1983 English translation "Foreign Trade" 1983]

**USSR-LAOS TRADE**--Last December Vientiane was the venue of signing the Trade and Payments Protocol between the Soviet Union and the Lao People's Democratic Republic for 1983 and the agreement on deliveries of certain goods from the USSR to Laos between 1983 and 1985. The documents signed provide for increased shipments, as against 1982, to Laos of goods of vital importance for its economy: road-building machinery, cars and lorries, oil products, rolled ferrous metals and also certain kinds of consumer goods. Under the Protocol Laos will continue its deliveries of mineral containing ores, coffee, plywood, cigarettes and other goods to the USSR. The implementation of the documents signed will promote trade and economic relations between the USSR and Laos, strengthen Laos' economy and stabilize the Lao people's living standards. I. T. Grishin, Deputy Minister of Foreign Trade, signed the documents on behalf of the USSR and Chanpheng Bounnaphol, Deputy Minister of Industry and Commerce for the Lao People's Democratic Republic. [Text] [Moscow FOREIGN TRADE in English No 4, Apr 83 p 30] [COPYRIGHT: "Vneshnyaya torgovlya" 1983 English translation "Foreign Trade" 1983]

**USSR-PDRY TRADE PROTOCOL**--Last December the Union of Soviet Socialist Republics and the People's Democratic Republic of Yemen signed in Moscow a Trade Protocol for 1983, providing for a further trade growth. The USSR will supply the People's Democratic Republic of Yemen with cars and goods vehicles, tractors, farming implements, bulldozers, other types of machines and equipment, oil products, cement, timber, glass, rolled ferrous metals, consumer goods such as refrigerators, gas cookers, cameras, some foodstuffs. Fish and fish products, cotton, paints and some national industry products are the items the People's Democratic Republic of Yemen will export to the USSR. At the signing ceremony the heads of the Soviet and Yemeni delegations pointed out that the successfully developing economic relations and increased trade between the USSR and PDRY in



the last years was a result of both countries' aspirations to strengthen and consolidate their friendship and all-round cooperation in politics, economy, science, culture and other fields. Direct trade relations between the USSR and PDRY were established not so long ago--after the people of South Yemen gained the independence for the state in 1967. The first Soviet-Yemeni trade agreement was signed in 1969 and since that time the two countries' cooperation has progressed very rapidly. In 1968 their trade accounted for about 1.3 million rubles, while ten years later in 1978 it exceeded 28 million rubles. A new step, developing Soviet-Yemeni trade, was made in 1979 when the sides began to trade on a planned and long-term basis. Since then protocols defining quotas of mutually delivered goods have been signed every year. The signing of the Agreement on Trade Turnover between the USSR and PDRY for 1981-1985 on December 4, 1980, marked a new stage in their trade relations. Between 1978 and 1981 trade between the two countries increased more than 250 per cent and reached 99 million rubles which is a vivid evidence of the successful fulfilment of the agreement and annual protocols. The new Soviet-Yemeni Trade Protocol gives a new impetus to the furthering and strengthening of trade relations between these countries, to increasing the mutual trade turnover and assists the two countries' foreign trade organizations to successfully solve problems facing them. R. V. Makarov, Deputy Minister of Foreign Trade, signed the Protocol on behalf of the USSR and Abdulla Al-Gifri, Deputy Minister of Trade and Supply--for the People's Democratic Republic of Yemen. [Text] [Moscow FOREIGN TRADE in English No 4, Apr 83 pp 30, 31] [COPYRIGHT: "Vneshnyaya trgovlya" 1983 English translation "Foreign Trade" 1983]

USSR-INDIAN TRADE--Last December the USSR and India signed in Delhi a Trade Protocol for 1983, providing for a further growth in mutual shipments of goods. The Soviet Union will increase its deliveries of machines and equipment, including some types of raw and other materials needed by the Indian economy. India in its turn, will export to the USSR greater quantities of both its traditional goods and products from its national industry. The Protocol agreed volumes of mutual deliveries for 1983 considerably surpass the level envisaged for the year under the Long-term Trade Agreement between the USSR and India for the 1981-1985 period, thus assuring its successful implementation as a whole ahead of time. [Text] [Moscow FOREIGN TRADE in English No 4, Apr 83 p 32] [COPYRIGHT: "Vneshnyaya trgovlya" 1983 English translation "Foreign Trade" 1983]

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## GENERAL

### PRC'S FOREIGN TRADE ANALYZED

Moscow EKONOMICHESKAYA GAZETA in Russian No 31, Jul 83 p 21

[Article by S. Smirnov: "PRC's Foreign-Economic Ties"]

[Text] During recent years more and more attention has been devoted in China to the development of foreign-economic ties, which since the end of the 1970's have been viewed as one of the important factors that accelerate economic construction.

At the same time the attempts being undertaken in the PRC for the practical realization of this course have not been proceeding smoothly.

As compared with the previous year of 1981, PRC's foreign-trade turnover in 1982 dropped by 5.2 percent, with China's import being reduced by 12.2 percent and its export increasing by only 1.8 percent.

#### PRC's Foreign Trade (in \$ billion)

	<u>1980</u>	<u>1981</u>	<u>1982</u>
Turnover	37.82	43.13	40.88
Export	18.27	21.56	21.94
Import	19.55	21.57	18.94

The decrease in China's volume of trade in 1982 is explained chiefly by the fact that its economic ties remained chiefly oriented on the capitalist countries, which have been experiencing a prolonged economic crisis.

The drop caused by the crisis in the consumer and production demand in the leading capitalist countries had a negative effect upon China's trade with them, and led to a drop in the prices of many commodities of Chinese export.

The foreign-trade statistics attest to the fact that in 1982 there was a slight increase in China's commodity turnover with the socialist countries -- by 14 percent as compared with 1981. The share of the socialist countries in the PRC's foreign trade proved, however, to be as small as it had been -- 7.4 percent (in 1981, 6.1 percent).

There are large opportunities for the development of mutually advantageous trade between the PRC and the socialist countries. It would seem that the present-day share of the socialist countries in China's trade does not conform to their economic potential, which makes it possible on the basis of mutual self-interest to expand the exchange of commodities and scientific-technical achievements.

In 1982, as in past years, there continued to be a large dependence of the PRC upon the worldwide capitalist market, primarily upon the imperialistic states.

The decrease of the commodity turnover with the nonsocialist countries occurred basically as a result of the reduction of the trade with the industrially developed capitalist countries. The PRC's commodity turnover with Japan -- its chief trade partner -- fell by 20.2 percent; with the United States, by 1.8 percent; and with the Western European countries, by 16.2 percent.

The share of the developed capitalist countries in the PRC's foreign-trade turnover as a whole dropped from 59.2 percent in 1981 to 54.9 percent in 1982. The reason for the reduction in China's trade with this group of countries was the curtailment of Chinese import, which was undertaken with the purpose of improving the state of the trade balance with respect to those states. During the three preceding years alone, the deficit in China's trade balance with the Western countries and Japan came to approximately \$18.5 billion. However, despite the reduction in the import, in 1982 China's trade with those countries remained sharply unbalanced: China's deficit in that trade again came to \$3.7 billion.

One of the chief factors that hinder the efforts of the PRC to stabilize its trade balance with the imperialistic countries continues to be the carrying out of various protectionistic measures by those countries.

Something which has been converted into a chronic problem for China has been, in particular, the artificial barriers erected by the Western countries for shipments from the PRC of textile commodities, which in Chinese export occupy one of the leading places. Several rounds of the negotiations on this problem which were conducted between the PRC and the United States ended without any result.

Additional limitations on the import of textile articles from the PRC were introduced in the spring of 1982 by a number of the Common Market countries. Japan continued to block an increase in import from the PRC of raw silk and articles made from it.

As a result of the protectionistic policy of the imperialistic states, and also as a result of the economic crisis that has encompassed the capitalist world, China was unable to achieve in 1982 the expansion of its export to those countries.

China has not been lessening its efforts to increase its purchases from the capitalistic countries of complicated equipment, including the "dual-purpose" equipment, that is, equipment that can be used also for military purposes. The WASHINGTON POST recently reported that the U.S. president had given his



consent to the sale to China of American computers and other modern equipment. As a result of this, American companies are planning this year to increase the sale to China of "dual-purpose" technology valued at hundreds of millions of dollars, the import of which in 1982 already came to \$400 million.

As in the past, China attempted to resolve the problem of balancing its trade with the industrially developed capitalist countries by relying on export expansion to the developing countries. As compared with 1981, the PRC's export to those countries increased by approximately 11 percent, reaching \$5.9 billion, at the same time that China reduced its import from the developing countries by 2.8 percent, which came to \$2.76 billion.

As a result of the shortage of its own funds for the payment of expensive imports from the imperialist countries, China is continuing to conduct a course aimed at attracting from those state loan and risk capital.

As was reported at the All-Chinese Working Conference on the Use of Foreign Capital, which was held in May 1983, in 1979-1982 China actually attracted to its economic from abroad \$12.6 billion in the form of bank loans and direct investments. The volume of the foreign-currency credit used by China came to \$10.8 billion, and the extent of the attraction of direct foreign investments, \$1.8 billion.

The number of enterprises completely belonging to foreign capitalists by the end of 1982 reached 34 in China. The volume of investments in them in conformity with agreements is supposed to come to \$360 million. Despite the many negative factors which result from the importing of foreign capital, China intends in the future to expand the attraction of that capital into the country.

It should be noted that the imperialist states, while lightly giving promises of preferential credit aid, actually grant to China an extremely small amount of relatively cheap credit.

For example, the terms for the granting of World Bank credit at the present time have been brought close to the level of the rates for commercial private banks, constituting in late 1982 11.6 percent annual interest. In this regard it can be pointed out that the use of private bank credit, to which China had to resort in order to pay for its imports from the Western countries of various equipment, was for the country's economy, as the Chinese economists admit, "a heavy financial burden." According to data in the Chinese press, in 1981-1982 alone the expenses to pay off the indebtedness on foreign credit and the interest on that credit exceeded \$6 billion.

As is attested to by the drafts of the 6th Five-Year Plan for the Development of the Economy of China in 1981-1985, which was approved in December 1982, in the remaining two and a half years of that period the Chinese leadership intends to increase the country's foreign-economic activity. The average annual rate of increase in the volume of foreign trade as a whole during the five-year period is supposed to come to 8.7 percent, including export, 8.1 percent, and import, 9.2 percent. The experience of recent years, however, indicates that the resolution of these tasks involves considerable difficulties.



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Sept. 6, 1983